

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 IO-11 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 XMB-02 SAM-01 AF-06 ARA-06 EA-07 OIC-02 /137 W
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R 021333Z MAR 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 8462

INFO AMEMBASSY ISLAMABAD

USMISSION EC BRUSSELS

C O N F I D E N T I A L GENEVA 1540

PASS STR FOR MIKE SMITH

E.O. 11652: GDS

TAGS: GATT ETRD

SUBJECT: TEXTILES: GROUP OF 77-"DECLARATION AND PROGRAM OF ACTION

REF: (A) GENEVA 1157, (B) GENEVA 1336,
(C) SMITH-PHELAN TELECON FEB 26

1. PAKISTAN AMB YUNUS CALLED ON U.S. TSB REP MORNING FEB 26
TO RELATE PAK VERSION RECENT EC-PAK TEXTILES CONSULTATIONS
BRUSSELS REPORTED GENEVA 1336. YUNUS ACCOUNT OF BRIEF SES-
SION WAS, IN ALL BUT ONE RESPECT, IDENTICAL WITH THAT GIVEN
BY KLARIC. AMB YUNUS SAID THAT PAKDEL IN BRUSSELS HAD BEEN
HANDED NOTE (SIGNED BY MEYNELL) ONLY 20 MINUTES BEFORE
LEAVING PAK MISSION FOR CONSULTATIONS INFORMING PAKS THAT EC
WAS NOT PREPARED CONSULT UNDER TSB MANDATE. PAK DEL REGARDED
TIMING OF NOTE AS DELIBERATE DISCOURTESY DESIGNED INSURE
BREAKUP OF TALKS AS WELL AS DELIBERATE AFFRONT TO TSB.
IF THAT WAS EC'S PURPOSE, TACTIC WAS 100 PCT SUCCESSFUL, YUNUS
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SHOWED U.S. REP COPY NOTE, TEXT OF WHICH MADE PAK'S

PIQUE COMPLETELY UNDERSTANDABLE.

2. U.S. REP SUBSEQUENTLY RAISED QUESTION OF GROUP 77'S MANILA POSITION ON "VOLUNTARY RESTRAINT ARRANGEMENTS" (GENEVA 1157). YUNUS ADMITTED THAT INSERTION THIS ISSUE IN "PROGRAM OF ACTION" HAD BEEN PAK INITIATIVE, DRAFTED IN GENEVA ON INSTRUCTION FROM GOP PERM SEC NAIK IN ISLAMABAD. SAID "INDIANS IN GENEVA" HAD CONCURRED IN DRAFTING AND SAID WOULD SUPPORT PAK POSITION IN MANILA. YUNUS SAID THAT PAK DISILLUSIONMENT (PARTICULARLY ON PART PERM SEC NAIK) AND DISSATISFACTION WITH EC'S APPARENT DISREGARD FOR ITS MFA OBLIGATIONS AND ITS CAVALIER TREATMENT OF PAKISTAN (AND ITS NEGOTIATORS) DATED BACK TO 1974 AND HAD BEEN PUBLICLY VOICED BY PAK DEL AT APRIL 1975 TC MEETING. RECENT ALTERCATION OVER EC PHASE-OUT PROGRAM PROVIDED IMPETUS TO PAK DECISION INVOLVE FUTURE OF MFA IN UNCTAD IV. THUS, EC-PAK DISPUTES ARE PROBABLE DIRECT CAUSE GROUP 77 ACTION.

3. EVENING FEB 26, U.S. REP HAD OCCASION DISCUSS MANILA MFA ACTION WITH INDIAN AMB CHADHA (FORMER COLLEAGUE ON TSB). CHADHA CONFIRMED THAT TEXT MANILA LANGUAGE WAS DRAFTED GENEVA BY PAK MISSION ON ISLAMABAD INSTRUCTION, THAT PAKS HAD DISCUSSED ISSUE WITH HIM, THAT INDIA HAD AGREED SUPPORT PAK PROPOSAL IN MANILA "IF NECESSARY" ON GROUNDS THAT INSERTION WOULD CREATE SOME LEVERAGE ON EC, AND, FINALLY, THAT PAK LANGUAGE WAS PROPOSED AND, ACCORDING CHADHA, ACCEPTED BY MINISTERS WITHOUT "ONE WORD OF DISCUSSION." SAID INDIA ONLY WANTED ONE CHANGE IN MFA AS PRICE EXTENSION WHICH, HE SAID, INDIA FAVORED: PRICE WAS "CLARIFICATION OF LANGUAGE IN ART 12" ON COTTAGE INDUSTRY EXEMPTIONS. SAID ALSO THAT EC WOULD HAVE TO GIVE SOME VERY CONCRETE DEMONSTRATION OF MEETING ITS MFA OBLIGATIONS BEFORE INDIA WOULD AGREE MFA EXTENSION.

4. AMBASSADOR YEUTTER, DURING GENEVA VISIT, ALSO HAD OPPORTUNITY DISCUSS GROUP 77 MFA PROPOSAL WITH CHADHA. UNDERSTAND CHADHA GAVE SAME EXPLANATION TO YEUTTER ON ORIGINS OF PAK INITIATIVE AS THAT GIVEN U.S. REP.

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5. REPORT OF CURRENT SITUATION IN EC-PAK DISPUTE AND RECOMMENDATIONS RELATED THERETO FOLLOW SEPTTEL. DALE

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Message Attributes

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Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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